GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:4073
ANSWERED ON:10.08.2016
2G Investigation
Singh Shri Pashupati Nath

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the investigation on 2G spectrum scam has been completed;

(b) if so, the outcome thereof and the action taken in this regard; and

(c) if not, the present status of the investigation?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) Most of the investigations in 2G spectrum scam have been completed . Further investigations on certain points are underway by Central Bureau of Investigation (CBI) and Enforcement Directorate (ED).

(b) & (c) The allotment of second generation (2G) telecom spectrum license was referred to the Central Bureau of Investigation (CBI) by the Central Vigilance Commission (CVC) on 12-10-2009 for further probe. Investigation into 2G spectrum scam is being directly monitored by the Hon'ble Supreme Court of India.

The Central Bureau of Investigation (CBI) registered total three Regular Cases bearing Nos. RC-DAI-2009-A-0045, RC-DAI-2011-A-0022, RC-DAI-2011-A-0024 and two Preliminary Enquiries Nos. PE-DAI-2011-A-0001 & PE-BDI-2010-E-0002 with regard to 2G Spectrum matters. A detailed note containing the present status of above mentioned cases/PEs (Preliminary Enquiry) is at Annexure .

The Enforcement Directorate (ED) is investigating the offences in 2G spectrum case under the provisions of Prevention of Money Laundering Act, 2002 (PMLA) and Foreign Exchange Management Act, 1999 (FEMA). On the basis of investigation conducted so far, assets worth Rs. 966.13 Crore have been attached under Prevention of Money Laundering Act (PMLA). Further proceedings in respect of attachment have been stayed by the Hon'ble Supreme Court of India. Two Prosecution Complaints have been filed before the Special Court of PMLA under section 45 of the PMLA. 12 Letters of Request (LRs) have been sent outside India for collection of evidence. Response of some of the LRs is still awaited. Further, 16 Show Cause Notices (SCNS) amounting to Rs. 13974.34 Crore under FEMA have been issued for various contraventions against various entities.

ANNEXURE
Status report submitted by Central Bureau of Investigation (CBI) in 2G spectrum cases

A) RC-DAI-2009-A-0045

On receipt of the Central Vigilance Commission (CVC) report, and on the basis of source information, Central Bureau of Investigation (CBI) registered a case on 21.10.2009 for criminal conspiracy and criminal misconduct against unknown officials of Department of Telecommunications, Govt. of India, unknown private persons/companies and others u/s 120-B IPC, 13(2) r/w 13(1)(d) of Prevention of Corruption Act, 1988.

Investigation into the main offence was concluded which revealed commission of offences, during 2007-09, punishable u/s 120-B, 420, 468, 471 of IPC and also punishable u/s 13 (2) r/w 13 (1) (d) of Prevention of corruption Act 1988 against accused persons, viz. S/Sh A Raja, then MOC&IT; Siddhartha Behura, then secretary (Telecom); R.K. Chandolia, then PS to MOC&IT; Shahid Usman Balwa, Director, M/s Swan Telecom Pvt. Ltd., Vinod Goenka, Director, M/s Swan Telecom Pvt. Ltd.; M/s Swan Telecom Pvt. Ltd. (now Etisalat DB Telecom Pvt Ltd) through its Director; Sanjay Chandra, Managing Director of M/s Unitech Ltd.; M/s Unitech Wireless (Tamil Nadu) Private Ltd through its Director; Sh. Gautam Doshi, Group Managing Director, Reliance ADA Group; Sh. Hari Nair, Senior Vice President of Reliance ADA Group; Sh. Surendra Pipara, Senior Vice President of Reliance ADA Group & M/s Reliance Telecom Ltd. through its Director.

Accordingly, a charge sheet against the aforesaid persons / companies was filed before the court of Special Judge (2G spectrum Cases), New Delhi on 02.04.2011.

FIRST SUPPLEMENTARY CHARGE-SHEET

Subsequently the allegations regarding quid pro quo / suspected illegal gratification of around Rs. 200 crores paid by M/s Dynamix Realty (a DB Group company which also promotes / owns M/s Swan Telecom Pvt. Ltd.) to Sh. A Raja, then MOC&IT through M/s Kalaignar TV Pvt. Ltd., following a circuitous route through M/s Kusegaon Fruits & Vegetables Pvt. Ltd. and M/s Cineyug Films Pvt. Ltd., was also further investigated.

The investigation disclosed that the amount of Rs. 200 Crores paid by M/s Dynamix Realty to M/s Kalaignar TV Pvt. Ltd, through M/s Kusegaon Fruits & Vegetables Pvt. Ltd. And M/s Cineyug Films Pvt. Ltd., was not a genuine business transaction but in the nature of illegal gratification paid in lieu of the UAS Licences, valuable spectrum and other undue benefits shown by accused public servants to M/s Swan Telecom Pvt. Ltd. Accordingly, in the addition to the offences charge by CBI against the accused persons in the main charge-sheet dated 02.04.2011, accused persons viz. A Raja, Ms. Kanimozhi Karunanithi, Sharad Kumar, Shahid Balwa, Vinod Goenka, Asif Balwa, Rajiv Agarwal and Karim Morani were charge-sheeted vide a supplementary charge sheet dated 25.04.2011, for offences punishable under section 120-B IPC read with section 7 (alternatively section 11) & 12 of PC Act, 1988.

The Ld. Special Judge, New Delhi took cognizance of the aforesaid charge-sheet and clubbed the same with main charge sheet. Prosecution & Defence evidence in the case have been concluded and now, the case is at the stage of final arguments on behalf of the defense.

LOOP TELECOM − ESSAR MATTER

As regards the investigation into the offence relating to alleged cheating by suppression of the violation of Clause No. 8 i.e. substantial Equity Clause of Unified Access Service License (UASL) Guidelines dated 14.12.2005 issued by the Department of Telecommunications (DoT), by suspected persons / companies belonging to M/s Loop Telecom / Essar group was concluded. Investigation regarding the role of public servants in the matter of not issuing Show Cause Notice to M/s Loop Telecom Pvt. Ltd. even after having prima facie allegation of violation of said clause 8 of UASL guidelines, was also conducted.

After completion of investigation in RC-DAI-2009-A-0045 regarding Loop Essar matter, second supplementary charge sheet was filed in the court of special Judge (2G spectrum Cases) on 12.12.2011 for the offences punishable u/s 120-B IPC r/w 420 of IPC against accused Ravi N. Ruia, Anshuman Ruia, Vikash Saraf, I.P. Khaitan, Ms. Kiran Khaitan, M/s Loop Telecom Ltd. (erstwhile M/s Shippingstop Dot Com India Pvt. Ltd.), M/s Loop Telecom Ltd. (erstwhile M/s BPL Mobile Communications Limited) and M/s Essar Teleholding Ltd.

Final arguments in the case have been concluded both by the prosecution and the defense. Rebuttal of the final arguments by Prosecution has also been complete .Now the case is fixed for clarification/rebuttal by the defense.

Pending Investigation /Further Investigation

(i) Further investigation in India on certain points related to LRs of M/s Unitech, is at final stage. However, further investigation at Mauritius etc. is pending for which LRs/ Supplementary LRs have been issued.
(ii) It is to further mention that IA No. 72/2014 in Civil Appeal No.10660/2010, was filed on 10.03.2014 by the Centre for Public interest Litigation & Ors., before the Hon'ble supreme court of India. In response to the aforesaid IA, the then director, CBI reviewed the matter and ordered to further investigate the aforesaid case on the issue of roll out obligation / dual technology, in respect of TTSL / TTML etc. The further investigation in this matter is at final stage.

B) Preliminary Enquiry no. PE DAI 2011 A 0001 dated 04.01.2011

The PE (Preliminary Enquiry) was registered to enquire into the irregularities committed in the grant of licenses & spectrum for Cellular Mobile Telephone service/Basic (Telephone) services / Unified access Service by the Department of Telecommunications from 2001 to 2007, with particular emphasis on the loss caused to the public exchequer and corresponding gain to the licensees/service providers. The enquiry covered the allocation of licenses / spectrum during various periods i.e. period 2001-2003 (MOC&IT − Late Pramod Mahajan), 2003-04 (MOC&IT − Sh Arun Shourie) and 2004-07 (MOC&IT − Sh Dayanidhi Maran). As regards, the period 2003-04, no major issue or irregularity has been found during the enquiry. Accordingly, a Self-Contained Note was forwarded to Department of Telecommunications and Telecom Regulatory authority of India for taking such action as deemed fit. However, following two regular Cases were registered on the basis of the outcome of this Preliminary enquiry.

(i) RC-DAI-2011-A-0022:, The case was registered by CBI on 9.10.2011 u/s 120-b of IPC r/w Section 13(2) r/w 13(1)(d) of PC act, 1988 and Sections 7 & 12 of PC Act, 1988 against Sh. Dayanidhi Maran, the then Minister of Communications and Information Technology, Govt. of India and others. After completion of investigation of this case, a charge sheet was filed on 29.08.2014 u/s. 120-B IPC r/w 7, 12 and 13(2) r/w 13(1)(d) of PC Act, 1988, in the court of Ld. Special Judge 2G Spectrum Cases, against Sh. Dayanidhi Maran, the then MoC&IT and others. The further investigation on some issues is continuing in this case. The trial of the case is fixed in the court for appearance of the remaining 4 Malaysian accused persons.
(ii) RC-DAI-2011-A-0024: The case was registered by CBI on 17.11.2011 u/s 120-b of Indian Penal Code r/w Section 13(2) r/w 13(1)(d) of PC Act, 1988 against Sh. Shyamal Ghosh, the then Chairman (TC) & Secretary (Telecom), Department of Telecommunications and others. After completion of the investigation a charge sheet was filed in this case on 21.12.2012 in the court of Ld. Special Judge for 2G Spectrum cases, u/s 120-B of IPC r/w Sec 13(2) r/w 13(1)(d) of PC Act, 1988 and substantive offences thereof against Sh. Shyamal Ghosh and others. The Hon'ble Trial court took cognizance of the case on 19.03.2013 and later discharged all the accused persons vide its order dated 15.10.2015.The order is under examination in CBI on whether it needs to be challenged in the appellate court.

C) Preliminary Enquiry no. PE BDI 2010 E 0002

The aforesaid Preliminary Enquiry (PE) was registered on 23.12.2010 for enquiry into the allegation of grant of huge loans by the public sector and other banks to some of the companies which have succeeded in obtaining licences in 2008 and find out whether the officers of the DoT were signatories to the loan agreement executed by the private companies and if so, why. Detailed enquiry about such loans to all telecom companies, which got licenses in 2008, was conducted by the Banking securities & Fraud Cell of CBI, New Delhi and no major irregularity or criminality was prima facie revealed.

****